GOVERNMENT OF INDIA
SCIENCE AND TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:423
ANSWERED ON:23.07.2003
GUIDELINES FOR INVESTMENT IN BANK
HARIBHAU MAHALE

Will the Minister of SCIENCE AND TECHNOLOGY be pleased to state:

(a) whether the National Institute of Science Communication, a constituentestablishment of CSIR invested its fund in bank during the year 2000-2002;

(b) if so, the mode of investment of fund and the details of the bankers in the panel ;

(c) whether NISCOM invested its fund with the bank providing higher rate of interest ;

(d) if not, the reason therefor and the bank in which the fund is invested ;

(e) whether there is any guidelines/procedures for such investment of fund;

(f) if so, the details thereof ;

(g) whether NISCOM withdrewits investment from a bank providing higher interest and deposited in a bank providing lower interest after August, 2000 ; and

(h) if so, the action taken by the Government in this regard ?

Answer

MINISTER OF STATE FOR SCIENCE AND TECHNOLOGY (BACHI SINGH RAWAT)

(a) Yes, Sir.

(b) The investments were made in the form of Fixed Deposits with the nationalized / scheduled commercial banks as per the guidelines of CSIR. The bankers during the period 2000-2002 were :

1. Syndicate Bank, Pusa Campus,New Delhi (Institute`s official banker)
2. State Bank of India, East Patel Nagar, New Delhi,
3. State Bank of Patiala, Rajendra Place, New Delhi,
4. Canara Bank, East Patel Nagar, New Delhi
5. UCO Bank, Rajendra Place, New Delhi,
6. Central Bank of India, East Patel Nagar, New Delhi,
7. Punjab National Bank, Patel Nagar / New Rajinder Nagar, New Delhi,
8. Union bank of India, East Patel Nagar, New Delhi
9. Indian Overseas Bank, Rajendra Place, New Delhi
10. Indian Bank, Shantiniketan, New Delhi
11. HDFC Bank, Rajinder Nagar,New Delhi
12. Bank of Baroda, Rajendra Place, New Delhi
13. ICICI Bank ,Connaught Place, New Delhi
14. Oriental Bank of Commerce, East Patel Nagar, New Delhi
15. State Bank of India, New Delhi Main branch, Parliament Street, New Delhi (CSIR`s official banker)

(c)&(d) Yes Sir, with the exception of the following cases:

1. Rs.20.00 lakhs were invested in April, 2000 with Syndicate Bank, Pusa Campus,New Delhi (institute`s official banker) at interest rate of 8.50% per annum against the highest rate of interest of 9.50 % per annum offered by UCO Bank, Rajendra Place, New Delhi with whom the investment of Rs.50.00 lakhs was also made in the form of Fixed Deposit.

2. Rs.150.00 lakhs were invested in June-July,2001 with State Bank of India, New Delhi Main Branch, Parliament Street, New Delh (CSIR`s official bankers) at interest rate of 9.50% per annum against the highest interest rate of 10.00 % per annum offered by Oriental Bank of Commerce, East Patel Nagar, New Delhi. Subsequently, Rs.350.00 lakhs were invested in January - March, 2002 with State Bank of India, New Delhi Main Branch, Parliament Street, New Delhi (CSIR`s official bankers) at interest rate of 8.25% per annum without inviting interest rates from other banks. The investment with State Bank of India, New Delhi Main Branch, Parliament

Street, New Delhi was made keeping in view the safety and security of funds and also the fact that it is the official banker of CSIR.

(e)&(f) Yes Sir. As per CSIR guidelines,a Laboratory./Institute, can make investment from Laboratory Reserve Fund (LRF) ; Deposits with Laboratory for sponsored/consultancy projects ; World Bank Loan ; and World Bank Projects Reserves, in :

(a) Term Deposits with any Nationalised or scheduled commercial Bank (incorporated in India) provided such a bank has Net Worth of Rs. 100 crores.

(b) Instruments which have been rated as `Investment Grade` by an established Credit Rating Agency e.g. Certificates of Deposits/Bonds or similar instruments issued by the scheduled commercial bank/Public Financial Institutions like ICICI, IFCI, IDBI, U etc.

(c) Government Securities/Treasury Bills.

(g)&(h) Yes Sir, an investment of Rs.350.00 lakhs was made on 8.4.2003 with the ICICI Bank, Karol Bagh, New Delhi at interest rate of 7.10% per annum. However, the investment was withdrawn immediately on 12.4.2003 in view of some adverse reports in media about the bank and keeping in view the safety/ security of funds. The investment was then made on 21.4.2003 with the Canara Bank, Jit Singh Marg, New Delhi which is a nationalized bank and had offered next higher interest rate of 6.25% per annum.The Directors of the Labs / Instts are delegated the powers to make investment in the best interest of the Institute.Therefore, no action was required to be taken in this matter on the part of the Government.